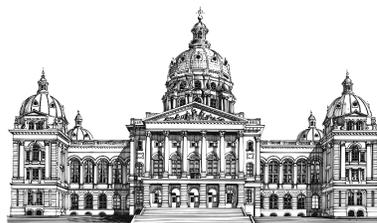

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State Fair Capitals

ISSUE

Since FY 1993, the Iowa State Fair has received a total of \$10.7 million from lottery receipts and the Iowa Infrastructure Fund for capital improvements at the State Fairgrounds. This *Issue Review* will examine plans to use the capital improvement appropriations to the State Fair and the future capital requests of the State Fair.

AFFECTED AGENCIES

State Fair Authority

State Fair Blue Ribbon Foundation

CODE AUTHORITY

Section 99E.10(1)(e), Code of Iowa

Chapter 180, 1993 Iowa Acts

Chapter 1199, 1994 Iowa Acts

Senate File 481

BACKGROUND

The State Fair Board is custodian of the State Fairgrounds and is charged with the management of the annual State Fair. In 1986 the Iowa State Fairgrounds was placed on the National Register of Historic Places. In 1991 the State Fair Blue Ribbon Foundation was established as a tax-exempt organization to raise funds for the renovation and preservation of the State Fairgrounds.

All operating expenses and maintenance expenses are paid out of the receipts from the State Fair unless a special appropriation is made by the General Assembly. During the 15-year period prior to FY 1993 the State of Iowa contributed \$3.7 million to the State Fair. Of that amount, \$1.8 million was for capital improvements including \$500,000 specifically for the Tourism Building and \$10,000 was for land acquisition. The balance of \$1.9 million was for general support and maintenance.

In FY 1993, \$500,000 was appropriated from lottery receipts to be matched on a two-to-one-basis from private resources to fund capital improvements at the State Fairgrounds. For fiscal years 1994 through 1996, \$500,000 was appropriated per year from lottery receipts to fund capital improvements. In FY 1994 an additional \$200,000 was appropriated from lottery receipts to provide handicapped accessibility improvements to the State Fairgrounds. In FY 1996 an additional \$8.5 million was appropriated from lottery receipts and the Iowa Infrastructure Fund to further fund capital improvements at the State Fairgrounds.

CURRENT SITUATION

The 1995 General Assembly passed SF 481 (Transportation, Infrastructure, and Capitals Appropriation Act) appropriating a total of \$9.0 million from lottery receipts and the Iowa Infrastructure Fund for capital improvements at the State Fairgrounds in FY 1996. Of that amount, \$500,000 was actually appropriated by Section 99E.10(1)(e) of the Code of Iowa and was approved in SF 481. The following table indicates the State Fair's current plans for expenditure of the appropriations.

FY 1996 Estimated State Fair Capital Expenditures from State Appropriations

Grandstand	\$ 2,306,000
Horse Barn	1,100,000
Ye Old Mill*	825,000
Pioneer Hall*	440,000
Administration Building	1,980,000
Interior Grounds Restrooms	165,000
Riley Stage*	330,000
Pella Plaza*	275,000
Triangle Stage	83,000
Architect and Engineering Fees	442,000
Campground Electric	300,000
Exhibitor Electric Relocation	300,000
Total	\$ 8,546,000

* Indicates currently also has a pledge from a private source

The \$454,000 not accounted for in the above table from the \$9.0 million appropriations is reserved for budget overruns of projects.

The State Fair Blue Ribbon Foundation has raised a total of \$6.7 million from private and federal sources since 1993. The following table indicates the breakdown of the funds as of October 31, 1995.

State Fair Blue Ribbon Foundation Funds Raised From Private and Federal Sources

As of October 31, 1995

Programs	\$ 370,000
Tax Check-Off	233,000
Promos/Memorials/Misc.	438,000
Federal Grants	1,275,000
Pledge Income	2,056,000
Pledge Commitments	2,086,000
In-Kind	83,000
Interest	155,000
Total	\$ 6,696,000

ALTERNATIVES

The General Assembly may wish to consider the following alternatives:

- Require that private and federal money fund 100.0% of the capital improvements at the State Fairgrounds.
- Require a 50-50 match of private funds to State funds for capital improvements at the State Fairgrounds.
- Appropriate State money to fund 100.0% of the capital improvements at the State Fairgrounds.

BUDGET IMPACT

According to the five-year plan for the State Fair, future capital improvements to the State Fairgrounds would cost an estimated \$38.1 million.

- If the State Fair could raise approximately \$6.7 million every three years from private and federal funds, as it did from 1993 to 1995, it would take approximately seventeen years to raise the entire \$38.1 million from private and federal funds.
- If the State Fair could raise approximately \$6.7 million every three years from private and federal funds, as it did from 1993 to 1995, and the State matched dollar-for-dollar with the private and federal funds, it would take approximately eight and one-half years to raise the entire \$38.1 million from private, federal, and State Funds.
- If the State of Iowa funded 100.0% of the capital improvement costs the following amounts would be necessary according to the five-year plan.
 - \$10.2 million for FY 1997 and FY 1998
 - \$7.5 million in FY 1999
 - \$6.9 million in FY 2000

- \$3.3 million in FY 2001

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